UNIVERSAL DISPLAY CORPORATION

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Universal Display Corporation Signs Agreement to Provide PHOLED(TM) Material to a Leading Display Manufacturer

EWING, N.J. (BUSINESS WIRE) Universal Display Corporation (NASDAQ:PANL), the Company that's lighting the way in developing and commercializing OLED technology for flat panel displays, lighting and other opto-electronics with its proprietary PHOLED(TM) phosphorescent OLED technology, announced today that the Company has entered into an agreement with a leading display manufacturer, to supply the Company's proprietary PHOLED(TM) phosphorescent OLED material for use in an active matrix OLED product.

Universal Display's proprietary PHOLED technology offers up to four times higher efficiency than conventional OLED technology - a feature that is very important for today's battery-operated cell phones and other portable devices, as well as for tomorrow's large-area TVs and solid-state lighting products. Over the past few years, the Company has announced a series of record-breaking performance milestones for its red, green and blue PHOLED systems. The Company's PHOLED materials, manufactured by PPG Industries exclusively for Universal Display, are currently being evaluated and used in commercial production by a number of electronics manufacturers.

Steven V. Abramson, President and Chief Operating Officer of Universal Display, stated, "We are very pleased to enter into this agreement for the purchase of our proprietary PHOLED(TM) material for use in an active matrix OLED product. We have been working toward this for a number of years and consider this an important milestone for the growth of our business and the emerging OLED industry."

About Universal Display Corporation

Universal Display Corporation is a world leader in developing and commercializing innovative OLED technologies and materials for use in the electronic flat panel display, lighting and other opto-electronic markets. Universal Display is working with a network of world-class organizations including Princeton University, the University of Southern California, and PPG Industries. The Company has established more than 20 development programs and other similar relationships with companies such as Tohoku Pioneer Corporation; Samsung SDI Co.; AU Optronics Corporation; DuPont Displays, Inc.; Seiko Epson Corporation; Sony Corporation; and Toyota Industries Corporation. The Company has also licensed its OVPD technology to AIXTRON AG for the development of next-generation OLED manufacturing equipment. Universal Display currently owns or has exclusive or sole license rights in approximately 750 issued and pending patents worldwide.

Universal Display is located in the Princeton Crossroads Corporate Center in Ewing, New Jersey, minutes away from its research partner at Princeton University. Universal Display's state-of-the-art facility is designed to further technology and materials development, technology transfer to manufacturing partners and work with customers to develop products to meet their needs for OLED products. Visit Universal Display on the Web at www.universaldisplay.com.

All statements in this document that are not historical, such as those relating to Universal Display Corporation's PHOLED(TM) technology and potential applications of that technology, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on any forward-looking statements in this document, as they reflect Universal Display Corporation's current views with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated. These risks and uncertainties are discussed in greater detail in Universal Display Corporation's periodic reports on Form 10-K and Form 10-Q filed with the Securities and Exchange Commission, including, in particular, the

section entitled 'Factors that May Affect Future Results and Financial Condition' in Universal Display Corporation's annual report on Form 10-K for the year ended December 31, 2004. Universal Display Corporation expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this document.

CONTACTS

Universal Display Corporation
Dean Ledger, 800-599-4426
or
In Taiwan:
Sui-Yuan Lynn
suilynn@universaldisplay.com
or
Gregory FCA Communications
Investor contact:
Paul Johnson, 610-642-8253
paul@gregoryfca.com
or
Media contact:
Mike Lizun, 610-642-8253
mike@gregoryfca.com